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RUCPDOG/DEPT OF COMMERCE WASHDC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
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S E C R E T SECTION 01 OF 05 ABU DHABI 001015

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STATE FOR ISN (JROOD, TFOLEY, CRUSSELL, RPAN)  
COMMERCE FOR MBORMAN, LMEYERS, GKAMINSKY  
TREASURY FOR BHAMMERLE  
NSC FOR DSTEPHENS  
USCENTCOM FOR JTORGLER, FRODRIGUEZ  
DOE FOR PHEINE

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TAGS: [PREL](#) [PARM](#) [PGOV](#) [ETTC](#) [ETRD](#) [ECIN](#) [AE](#) [IR](#)

SUBJECT: JUNE 11 U.S.-UAE COUNTERPROLIFERATION TASK FORCE  
WORKING GROUPS

REF: A. STATE 77768

[1](#)B. ABU DHABI 422

[1](#)C. ABU DHABI 275

[1](#)D. ABU DHABI 873

Classified By: AMBASSADOR MICHELE J. SISON FOR REASONS 1.4 B & D.

[1](#)1. (S) Summary: Department of State International Security and Nonproliferation/Counterproliferation Initiatives (ISN/CPI) Director Tony Foley led an interagency delegation to the June 11 US-UAE Counterproliferation Task Force (CTF) working groups meetings in Abu Dhabi to discuss questions related to the draft UAE export control law, UNSCR implementation and counterproliferation cooperation. UAE CTF Chairman Brigadier Mohammad al Qamzi spoke briefly about the export control law and assured the US that the UAE export control system would be "practical and achievable." The UAE side discussed questions passed by the U.S. earlier in the month on its export control law, investigations into entities listed in the Annexes to UNSCRs 1737 and 1747, proliferation finance, and interdiction cases (ref A). The UAE also promised to check with the UAE military on adding a Proliferation Security Initiative (PSI) element to established CENTCOM-UAE exercises. The US and UAE agreed to several after-actions, including submitting a proposal for an Export Control Workshop in the September 9-10 timeframe.

Delegations

[1](#)2. (SBU) ISN/CPI Director Tony Foley led an interagency delegation to the June 11 CTF Working Groups in Abu Dhabi. The U.S. delegation included: the Ambassador; Renee Pan, ISN/CPI; James Torgler, USCENTCOM; Frank Rodriguez, USCENTCOM; Peter Heine, Argonne National Laboratory, Department of Energy; Lisa Meyers, Bureau of Industry and Security, Department of Commerce (DOC/BIS); Glenn Kaminsky, Senior Attorney, Office of Chief Counsel (DOC/OGC); EconChief; PolEconoff; DHS/ICE Attache; DOC/BIS Attache; OFAC Attache; and Naval Attache.

13. (SBU) Brigadier General Mohammad bin Dhaen al Qamzi, Director of Dubai's General Department of State Security (GDSS) led an expanded UAE Counterproliferation Team similar to the March 1 CTF meeting. The UAE delegation included: Brigadier General Abdul Aziz Maktoum Al Sharifi, Protective Security Administration, Ministry of Interior (MoI); Yousef M. Al Otaiba, Director of International Affairs, Office of the Crown Prince of Abu Dhabi; Yacoub Al Hosani, Director for International Affairs, Ministry of Foreign Affairs; Brigadier General Hamad Al-Shamsi, Federal State Security; Aouad Al-Niadi, Major Mansour Al-Bastaki, GDSS; Mohammed Al-Mehari, Director General Federal Customs Authority; Juma Al-Kait Abdulla Al-Mutawa, Ministry of Energy; Saeed Khalifa Al Marri, Federal Customs Authority (FCA); Ahmed Saeed Al Qamzi, Anti Money Laundering Suspicious Crimes Unit (AMLSCU), Central Bank; and Mohammad Khalifa Al Kitbi, Protective Security Administration, MoI.

#### A "Practical and Achievable" Export Control System

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14. (C) Qamzi thanked the US delegation for its lists of questions related to the draft UAE export control law (ref A) but said it was still too early for the UAE-side to discuss the issues in depth as the law is not yet enacted. Qamzi pledged to take the questions, as well as any comments from the meeting, to the Ministry of Justice (MoJ), which is currently drafting and approving the law, implementing regulations.

15. (C) Qamzi said the bodies responsible for enforcement and other facets of the export control law are yet to be determined. He acknowledged that the overlapping roles of

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the various committees established in the draft law are confusing and shared that there is a proposal to establish a body that would be responsible for thinking through the roles of the various UAEG agencies. Another proposal is for the &Strategic Committee for Commodity Control Procedures to establish the control lists but not enforce the law. (Note: it is unclear whether this committee is the Executive Committee for Commodity Control Procedures (refs B-C) or the &Control Committee or the &Strategic Commodities Committee referenced in the draft law. End note.) He envisioned licensing and enforcement falling to &smaller units, but did not elaborate on who those units were composed of, and establishing a full time office to do this work, rather than the Committee, since it would meet irregularly. During a luncheon conversation, Al Qamzi informed Foley that the UAE was considering establishing a separate agency to implement all phases of its export control regime. He seemed to imply that this entity would be separate from those identified in the law. However, in a side conversation with Yacoub Al Hosani of the MFA, Lisa Meyers (DOC/BIS) learned that the MFA was planning to be the implementing agency, which seems to be consistent with what is in the export control law. He noted that until the law is enacted, the MFA cannot do any official work towards implementation, but that the MFA has been advising the Ministry of Justice on its draft implementing regulations and considering the types of employees necessary to perform these functions. When asked, Al Hosani indicated that he had expected the law to have been enacted by now and assured Ms. Meyers that the reasons for the delay were probably logistical not substantive.

16. (C) Foley pointed out the importance of incorporating the items contained in lists developed by the MTCR, NSG, AG, and Wassenaar which will establish a baseline consistent with the applicable international control regimes. He noted that an effective regime should account for dual use items and include catch-all controls, as well as a means for updating of control lists.

17. (C) Meyers, provided a summary of the role of various

departments in the US export control process, and asked about the roles and responsibilities of the large number of entities named in the law to be part of the UAE,s export control system, including the role of private industry and free zones. Qamzi said the free zones would have a role because of the integral part they play in the transit of goods, but he did not elaborate. Qamzi said the UAE cannot follow the US system 100 percent but vowed the UAE system would be "practical and achievable." He stated that because the UAE,s main businesses are re-exports rather than manufacturing, the UAE needs a system that would work more quickly than what he viewed as a cumbersome US system, but reassured the US that there would be no loopholes in their system.

18. (C) Meyers noted that the law is a good solid start for a comprehensive export control system; however, the UAE now needs to build a strong licensing authority, enforcement capabilities, and industry- government relationship. She stressed the need to work closely with industry during the law,s roll-out, to help ensure the rules are understood and companies are able to comply. Glenn Kaminsky, DOC/OGC, stressed the need for clear regulations and penalties, as well as clear responsibility for investigations and enforcement. Qamzi stated that the necessary decisions to "protect the UAE and exercise our strong commitment to the international community" would continue- even in advance of completion of export control regulations- to prevent entities from taking advantage of the friendly UAE business environment. He noted that the UAE has recently been able to take administrative actions against proliferation shipments even in the absence of an export control law and regulations.

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19. (SBU) Foley and Qamzi agreed that an export control law workshop bringing together DOC, MoJ and other US and UAE legal experts would be an appropriate next step. The US proposed September 9-10 for this workshop and committed to provide a proposal for such a workshop.

UVL and Country Group C

10. (SBU) Meyers said the USG intends to add Sharjah-based Al Minzal Medical Equipment and Industries to its Unverified List (UVL), and explained the purpose of the UVL. Qamzi asked for further information on Al Minzal -- which post subsequently provided -- and said he would follow up on the company. Later in the meeting after receiving a short briefing from his staff, he explained that Al Minzal was already being investigated and found to be connected to Medline, which had been shut down. Meyers also informed the UAE that an amendment to the Mayrow General Order was published on June 8, 2007 and contained the four UAE entities that the U.S. had already shared with the UAE at the March 1 CTF (ref B).

11. (C) Foley informed the UAE that no decisions have been made on whether any countries have met the criteria for inclusion or what countries to place in Country Group C, the new licensing category for &Destinations of Diversion Concern.8 He stressed that continuing, outstanding UAE cooperation on interdictions as well as enactment and effective implementation of the UAE,s export control law would make a positive contribution to the USG,s future deliberations on Country Group C.

Answering Questions on UNSCR Implementation

12. (S) Qamzi answered questions on UNSCR implementation passed in ref A -- beginning with UNSCRs 1737 and 1747 -- indicating the UAE has investigated and found no information on the 7th of Tir. He stated that no actions were taken against the UAE-based entities that were found to have been

linked to UNSCR listed entities, but did not indicate whether any actions were pending. According to Qamzi, none of the designated entities have attempted to open companies in the UAE.

¶13. (C) Regarding financial measures, Qamzi said Bank Sepah does not have offices in the UAE and the Central Bank has circulated relevant information to UAE banks to ensure they comply with the UNSCRs. No other actions have been taken and no UAE banks have been found to be engaged in activities violating the UNSCRs, he said. Ahmed Saeed Al Qamzi, Central Bank AMLSCU International Affairs Director provided a summary of their report to the UN on 1737 and 1747. He explained that some of the Bank Sepah accounts frozen in the UAE are debit accounts that Sepah owes to UAE banks and therefore, subject to UNSCR regulations, so long as the contracts do not involve UNSCR proscribed activities, they will be unfrozen so that Bank Sepah may pay its creditors.

¶14. (S) Yacoub Al Hosani acknowledged that US questions contained in ref A regarding UAE inspections of all DPRK cargo, including those seeking bunkering or other services, was not addressed in the UAE's UNSCR 1718 report to the UN. He agreed that the MFA would respond to the US questions. Regarding the Tanchon Commercial Bank officials in ref D, the UAE checked the names against suspicious transaction reports and came up with nothing. Following the meetings, Qamzi indicated to Foley the importance the UAE puts on the UNSCRs, saying they provide the necessary legal framework to inspect shipments. Foley stressed that UNSCRs will not always be in place and therefore stringent export control laws are necessary.

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#### Counterproliferation Cooperation Improves

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¶15. (S) Foley thanked the UAE for its cooperation, information and efforts related to shipments onboard the M/V Iran Tehran and M/V Iran Kerman, acknowledging that the UAE's detainment of containers from these vessels is politically sensitive. Major Mansour provided the following summary of both interdictions. The Iran Tehran contained three suspect containers. Upon inspection, one -- containing electronic cabling -- was related to Bank Sepah and therefore detained. There was no information linking the two other containers -- holding CNC equipment and other machine tools -- to UNSCR-named entities and they were released. Jam Industrial Trading Company (JamCo) and Bank Melli Iran were responsible for these two containers. The UAE asked for more information on JamCo and its links to the Shahid Begheri Industrial Group (SBIG) so that it might take action next time. Foley agreed to follow up.

¶16. (S) The UAE asked why goods on the M/V Iran Kerman were not stopped at their point of origin or other transit points before coming to Dubai. Foley explained that the nature of the information made it impossible to provide greater lead time. The UAE asked why China appears reluctant to cooperate on the issue and whether China (and other countries) view JamCo as related to UNSCR-named entities. Later in the conversation, Qamzi said the lack of pre-arranged agreement to return the goods to China put the UAE in an embarrassing position, effectively holding the bag. Foley assured the UAE that the USG has asked China to repatriate the goods and asked whether a joint demarche to China would be favorable. Qamzi deferred to the MFA, to which Yacoub Al Hosani responded that the UAE would welcome a joint demarche.

¶17. (S) Qamzi provided biographical and passport information on Daniel Frosch, his father Erich Frosch, and Bazar Trading Company (BTC) owner Mohammad Rohani and agreed to pass a hardcopy of the information. The UAE investigation of Frosch has revealed that he had an office within BTC. The UAE has determined that Frosch has dealt with over 20 Iranian

military entities -- including SHIG, SBIG, Ya Mahdi, and Aerospace Industries Organization (AIO) -- to export commercial items. Financing has gone through BTC to Frosch. The UAE has closed BTC and is acting to cancel the visas of Frosch and Rohani and blacklist them; they have three months to leave the UAE. Qamzi said the UAE has written to the Austrians about Frosch, but has received no response. He asked why Frosch has not been listed by Interpol, sharing that many governments have raised him with the UAEG. Post requests ISN approach FBI about establishing a Red Notice for Frosch.

¶18. (S) On Mayrow General Trading, Qamzi shared that Mayrow affiliates Atlinx and Ned Overseas Electronics are being closed. These affiliates have a three month grace period to finalize business before officially closing and its personnel's visas are similarly being cancelled. Mayrow's UAE sponsor is on a monitoring list and any applications by him to open new companies will be screened.

#### Non-Committal on Maritime PSI Event

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¶19. (SBU) James Torgler, USCENTCOM, provided information on scheduled CENTCOM exercises with the UAE and proposed adding PSI activities -- in particular an air and maritime exercise -- to facilitate future cooperation. Due to potential scheduling conflicts, Torgler suggested a date in late 2008. Yousef Al Otaiba, Director of International Affairs, Office of the Crown Prince of Abu Dhabi, said he would take it to the General Staff and inform us if a PSI event could be incorporated.

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#### Chemical Weapons Convention (CWC)

¶20. (C) After the meeting, Yacoub Al Hosani of the MFA noted that although the Federal Law on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons<sup>8</sup> has been enacted, the MFA is waiting until the export control law is enacted to implement the CWC requirements. The MFA intends for the implementation of both to be the responsibility of the same office in the MFA. Al Hosani indicated that he expected the law to be implemented in the near term and that the MFA was already making unofficial plans for implementation. It was unclear whether the same MOJ officials were drafting the implementing regulations for both the CWC and export control laws. Ms. Meyers indicated that the US would be happy to share our experiences in developing regulations and working with industry to implement the CWC.

#### Biological Weapons Convention (BWC)

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¶21. (C) After the meeting, Yacoub Al Hosani, Director for International Affairs, Ministry of Foreign Affairs, said the UAE has signed, but not yet ratified the Biological Weapons Convention. It is currently under internal study.  
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